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Item 8 of the provisional agenda

ESTABLISHMENT OF AN INTERNATIONAL CENTRE FOR SUSTAINABLE DEVELOPMENT

Report by the Director-General

Addendum

1. Subsequent to the issuance of document IDB.22/10, informal discussions were held with representatives of the Permanent Mission of Slovenia and other interested Member States. The present addendum has been prepared to clarify certain issues regarding the scope and funding of the proposed centre.

2. In line with the Constitution of UNIDO, the activities of the centre will focus on sustainable industrial development. Therefore, all references in document IDB.22/10 to "sustainable development" should read "sustainable industrial development". In particular, in relation to paragraph 16 of document IDB.22/10 concerning the activities in its first years, the centre will: coordinate the work programmes of participating institutions in fields interrelated with sustainable industrial development; support specialized courses in sustainable industrial development, *inter alia*, for small and medium enterprises (SMEs) and government employees; and cooperate with national focal points for sustainable industrial development as these become established. Also, the title of the centre will be the international centre for sustainable industrial development (ICSID). Finally, in the draft decision (IDB.22/10, para. 22), the phrase "sustainable development" should be modified in every case to read "sustainable industrial development".

3. While at least in its initial years the centre will focus on Central and Eastern Europe (CEE) as well as the Newly Independent States (NIS), the centre's activities will be open to all developing countries that wish to take part. Thus, in relation in particular to paragraph 19 of document IDB.22/10, the major beneficiaries of the work of the centre will be research and development institutions, SMEs, public administrations and non-governmental organizations in the CEE and NIS region in the first instance, but also those in all interested developing countries. Paragraph (c) of the draft decision should be amended accordingly. In addition, in line with paragraph (e) of the draft decision, it should be clarified that membership in the steering committee and international science council (annex I, paras. 6 and 7) will be open to all participating developing countries.

4. In paragraph 20 of document IDB.22/10 it is to be clarified that the centre will be funded by voluntary contributions to UNIDO through the Industrial Development Fund or through trust fund agreements, or with donations on a project basis from Governments or institutions through the same mechanisms. Therefore, in paragraph (c) of the draft decision the phrase "by voluntary contributions to UNIDO" should be completed with the phrase "through the Industrial Development Fund or trust funds".

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5. In light of the above, the text of the draft decision in document IDB.22/10 (para. 22) has been modified as shown below. Discussions are ongoing with regard to other elements of the document and draft decision, in particular with respect to the action required of the Board (paragraph (d) of the draft decision). The alternatives currently under consideration are indicated.

"The Industrial Development Board:

"(a) Recalls that Article 1 of the Constitution of UNIDO states, *inter alia*, that the Organization shall also promote industrial development and cooperation at the regional level;

"(b) Takes note of the report of the Director-General on the initial proposal of the Government of the Republic of Slovenia for the establishment of an international centre for sustainable industrial development (IDB.22/10);

"(c) Decides that in accordance with paragraph 5 of Article 7 of the Constitution of UNIDO an international centre for sustainable industrial development shall be established at Ljubljana, Slovenia, as a subsidiary organ of the Board, within the legal framework of UNIDO. The centre shall be financed exclusively by voluntary contributions to UNIDO through the Industrial Development Fund or trust funds. [*Possible addition*: Initially the centre shall be financed with a minimum amount of $250,000 per year as a voluntary contribution of the Government of Slovenia to the Industrial Development Fund or a trust fund]. The centre shall have the proposed institutional structure as stated in the annex to document IDB.22/10. The purpose of establishing the international centre for sustainable industrial development is to coordinate the actions of research and development in the field of industry that are working in a variety of fields related to sustainable development. The regional orientation of the centre will be in accordance with paragraph 3 of document IDB.22/10/Add.1;

[*Alternative 1* "(d) Requests the Director-General to conclude the agreement with the Government of Slovenia for the establishment and long-term operation of the centre;]

[*Alternative 2* "(d) Requests the Director-General to pursue the negotiations on the agreement with the Government of Slovenia for the establishment of the centre and to report on it to the twenty-fourth session of the Industrial Development Board;]

[*Alternative 1* "(e) Calls upon the Director-General to ensure that due regard to the principle of equitable geographical representation among contributing States shall be given in the composition of the steering committee and international science council of the centre;]

[*Alternative 2* delete paragraph (e)]

[*Alternative 1* "(f) Calls upon the Director-General to report on the activities of centre regularly to the Industrial Development Board;]

[*Alternative 2* delete paragraph (f)]

[*Alternative 1* "(g) Invites the General Conference at its ninth session to take note of the present decision."]

[*Alternative 2* delete paragraph (g)]